

**Second Quarter Report to U.S. Agency for International Development
National Policy Association
April 1st – June 30th 2002
Working Group on Best Business Practices in Cuba
Grant No. LAG-G-00-00-00002-00**

Highlights

In the second quarter of 2002, NPA published another issue of *Cuba Today*, held a conference in Madrid to promote the NPA Working Group Principles for Private Sector Investment in Cuba, and continued to build a network of individuals and groups interested in Cuba. In addition, NPA obtained the names of the five corporations that endorsed the NPA Working Group Principles.

Corporate Endorsements of NPA's Principles

In a joint effort with the American Chamber of Commerce of Cuba in the United States (AmCham Cuba), NPA sent letters to approximately 140 corporate members of AmCham Cuba in order to gain their support for the NPA Principles for Private Sector Investment in Cuba. During the first quarter, five corporations signaled their support for the principles. The five corporations are:

- International Executive Service Corps (IESC)
- Agrotec West Indies, Inc.
- Bal Marketing
- Century Associates, LLC
- Energy and Communications Solutions, LLC

NPA will continue to seek more corporate endorsements over the next two quarters.

May 20 Madrid meeting

In the second quarter of 2002, NPA focused most of its attention on Spanish investors in Cuba. Because more than a quarter of Cuba's joint ventures are partnerships with Spanish enterprises, and because of Spain's long history of engagement in Cuba, Spanish business leaders have a unique understanding of the island. Investors in Spain have many years of experience working through and around Cuban government regulations that hinder productivity and efficiency among workers. Their collective knowledge of Cuba's labor situation is useful in developing strategies to promote the rights of workers.

In order to give greater visibility to worker rights issues in Cuba, NPA held an invitation-only one-day roundtable seminar in Madrid on May 20, 2002, in partnership with the Fundación Ortega y Gasset. The roundtable included presentations on Cuban foreign investment and workers' rights issues. Participants included Spanish investors in Cuba, Spanish and North American academic experts on Cuba, representatives of the Spain's government, and members of NPA's Cuba Working Group. NPA received an additional grant for \$30,000 from the Bureau of Public Diplomacy at the US Department of State to pay for the expenses of this Madrid event. The agenda from the meeting is attached.

Cuba Today

The March 2002 issue of *Cuba Today* (attached) was published in Spanish in the second quarter of 2002. This issue covered worker issues in the mining industry in Cuba.

The May/June 2002 issue of *Cuba Today* (attached) was published during the second quarter. This issue covers a variety of perspectives on how foreign investors can promote the rights of workers on the island. The Spanish translation of the May/June 2002 issue of *Cuba Today* will be published during the third quarter of 2002.

The Cuba project intern gathered materials for the next issue of *Cuba Today*, which will be the last under the current grant. It will be published during the third quarter of 2002. Like other recent issues, the final *Cuba Today* will be published in both Spanish and English.

Outside Meetings / Contacts

The Project Director met with a number of individuals and organizations during the first quarter to build support for the program and to increase the database of contacts. Ms. Bailey met, either in person or by phone, with the following contacts to discuss strategies to promote worker rights in Cuba:

Matias Travieso-Diaz, Shaw Pittman
Jaime Suchlik, University of Miami
Stephen Halloway, Inter-American Development Bank
Carlos Malamud, Instituto Universitario Ortega y Gasset
Carl Fox, US Embassy, Madrid
Martín Ortega, INCIPE
Mark Falcoff, American Enterprise Institute
Phil Peters, Lexington Institute
Miguel Jáuregui Rojas, COMCE (Mexico)
Harold Foreman, UFCW
Michael Deegan, ACDI-VOCA
Donald Mackay, Canadian Foundation for the Americas
Robert Weekley, AmCham Cuba
Jonathan Moore, Canadian-American Business Council
Jorge Pérez-López, Association for the Study of the Cuban Economy
Richard Bauer, El Diario de Zürich (Mexico)
Michael Magan, US Department of Labor

Future Plans for the NPA Cuba Program

NPA is currently developing a proposal to submit to USAID to continue work to promote human rights and democratic efforts on the island.



INSTITUTO UNIVERSITARIO ORTEGA Y GASSET



NATIONAL POLICY ASSOCIATION

LAS INVERSIONES ESPAÑOLAS EN CUBA Y LA PROMOCIÓN DEL DESARROLLO

Lunes 20 de mayo de 2002

(9:30 a 14:30 horas)

HOTEL EMPERATRIZ

C/ López de Hoyos, 4 – 28006 Madrid

- 9:30 h. Palabras de Bienvenida:
Carlos Malamud, Subdirector del Instituto Universitario Ortega y Gasset.
Anthony Quainton, Presidente y CEO, National Policy Association.
Charles Barrett, Chair del Cuba Working Group de NPA y Vicepresidente del Program Strategy and Delivery, The Conference Board of Canada.
- 10:00 h.
11:45 h. “Inversiones en Cuba: un examen de las “especiales” relaciones con España”
Mark Falcoff, Resident Scholar, American Enterprise Institute.
Manuel García de Díaz, Universidad de Granada.
Moderador: ***Joaquín Roy***, Universidad de Miami.
- 11:45 h.
12:00 h. Café
- 12:00 h.
14:00 h. “Estrategias para promover la eficiencia laboral y la productividad en Cuba”
Anthony Quainton, Presidente y CEO, National Policy Association.
Pedro Pérez, Consultor y Empresario.
Moderador: ***Carlos Malamud***
- 14:00 h.
14:30 h. Conclusiones
- 14:30 h. Almuerzo

CUBA TODAY

Best Business Practices and Labor Rights

June 2002

Vol. 3, No. 1

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In this issue, *CUBA TODAY* explores a deceptively simple question: How can foreign investors promote the rights of workers in Cuba? Two well-known Cuba experts provide their perspectives, which reflect the continuing conversation in U.S. policy circles about the best way to strengthen these rights. A third commentator zeroes in on one of the most prominent countries investing in Cuba—Spain. He explains the special historical relationship between the two nations, analyzing the interplay between domestic Spanish politics, Spanish investment policy toward

Cuba, and the implications for Cuban laborers.

CUBA TODAY serves as a forum for dialogue on the interactions between labor and business in Cuba. The following articles on best business practices highlight the relevance of these practices for workers in Cuba. While the views presented differ with respect to strategy, all of the authors underline the influence of foreign investors on worker rights and the need for sustained efforts to promote those rights.

Foreign Investors in Cuba: It's Time to Do the Right Thing

by Ambassador Dennis K. Hays

Executive Vice President, Cuban American National Foundation

Foreign investment is often a positive force in a developing country. A foreign investor brings needed capital and technology that can generate employment and wealth and improve the lives of local citizens. But what if a foreign corporation is asked to violate the rights of its workers as a condition of doing business? What if it is clear that investment fuels a repressive regime and relieves the need for political and economic reform? Under these conditions, should an investor stay, go, or try to change the system?

DEFENDING ABUSED WORKERS

A healthy debate is going on worldwide about what constitutes a

living wage and what are appropriate standards for health and safety. There is no debate, however, about one crucial point—neither corporations nor governments have the right to systematically abuse workers. Practices such as forced labor and racial discrimination in hiring have few defenders these days.

Corporations that choose to violate labor and human rights are trading short-term profits for a long-term liability. Aggrieved citizens across the globe are taking companies that collude with corrupt and dictatorial rulers to court, and they are winning. No longer can foreign corporations escape responsibility for their actions

by claiming they were in compliance with local law, knowing full and well that such laws were in violation of international standards.

Moreover, companies place themselves at risk not just in the courts of law, but also in the court of public opinion when they abuse workers. Just ask Nike about its experience in Vietnam. Nike came close to losing its most precious comparative advantage—its cache—because of the treatment of workers subcontracted to make its shoes. Having learned a painful lesson, today Nike stands as a champion of good labor practice. Its most recent annual report flatly states: "Factories that refuse to follow these steps [safeguard-

ing worker conditions] will lose our business."

Ideally, individuals, corporations, and nations would decide on their own free will to respect basic human and worker rights. The time will come when doing the right thing and making the smart business decision will be the same. But that time has not yet arrived.

THE PROBLEMS TODAY IN CUBA

There are countries in the world poorer than Cuba, but no nation this side of North Korea works as hard to stifle individual initiative or to minimize the meaningful participation of its citizens in business activity. Foreign corporations that want to do business in Cuba do so on Castro's terms or not at all. This makes foreign investors complicit in a host of unsavory business practices. Independent labor and human rights groups ranging from Amnesty International to the International Confederation of Free Trade Unions have exhaustively documented these abuses. Although Cuba has long been a signatory to key UN International Labor Organization (ILO) conventions, Castro's regime ignores practically all of them. In its comprehensive report, *The European Union and Cuba, Solidarity or Complicity?*, the Dutch religious organization Pax Christi recently detailed the following ILO and human rights violations:¹

- *Cuban workers do not have the right to choose their place of employment, the nature of such employment, or the wages to be received for said work. Violation of the fundamental ILO Convention No. 111.*

1. Pax Christi, *The European Union and Cuba, Solidarity or Complicity?* (Utrecht, The Netherlands, September 2000).

2. The annex of the report documents these cases.

- *Cuban workers do not have the right to form labor unions of their own choosing, to strike, to ask for better working conditions, to criticize any work rules, or even to complain about their supervisors. Attempts by workers to organize independently are illegal, and activists are subject to persecution, harassment, and expulsion from work. Violation of Convention No. 87.²*

- *Cuban workers and foreign employers are prohibited from freely negotiating wages. Strictly speaking, foreign employers in Cuba do not pay wages to their employees at all, but are compelled to make payments to government agencies. Workers are forced to accept salaries far below subsistence level. Under this practice, workers receive less than 10 percent of the amount that the companies pay the agencies. Violation of Convention No. 95.*

- *The vast majority of Cuban workers do not have the right to open their own businesses and can employ no more than four people, all of whom have to be relatives.*

- *Cuban workers are encouraged to spy on their neighbors and to report any activity that the Party feels is against its directives. It is common practice to put militant supporters or "spies" in each workplace, including those of foreign companies, to deal with troublesome coworkers. Violation of Convention No. 87, Article 3.2.*

- *The Cuban government has enacted the Law for the Protection of National Independence and the Cuban Economy as part of its strategy to maintain control. Any Cuban citizen who cooperates with an organization that opposes the policies of the Cuban gov-*

ernment is threatened with immediate incarceration and criminal procedures.

In addition to all of the above, investment in Cuba often involves the use of properties illegally confiscated without compensation; acceptance of the "tourist apartheid" that prevents the vast majority of Cuba's citizens from entering hotels and resorts; complicity in racial discrimination in hiring in the tourist industry; and waiver of any right to arbitration or protection under the law.

THE POSSIBILITIES TODAY IN CUBA

Foreign corporations can play a positive role in Cuba by simply refusing to accept further violations of worker rights in the conduct of their business. The Castro regime would certainly object, but would have few options (other than shutting down the tourist industry) if all foreign hotel operators stated they intended—in compliance with ILO mandates—to directly hire and fire employees in a nondiscriminatory fashion, to pay wages directly, and to allow workers to freely associate with each other and to form independent bargaining units. One possibility would be to rally around the Arcos Principles, named after the noted Cuban dissident Gustavo Arcos. This set of basic reforms is patterned on the Sullivan Principles that were used in South Africa. A company subscribing to these principles agrees to respect the dignity and rights of the Cuban people—nothing more and nothing less.

It would be wonderful if foreign companies would agree to such a straightforward proposal because it was the right thing to do. The record

(Continued on page 8)

The Role of Foreign Investment in Promoting Worker Rights in Cuba

by Ambassador Sally Grooms Cowal

President, Cuba Policy Foundation

Worker rights in Cuba clearly need to be strengthened. Foreign investment is one way to significantly improve the condition of Cuban workers and their rights. International worker protections and codes of conduct also help to advance worker rights in countries that lack them. In addition, the positive influence of companies on workers and societies in which they invest contributes to increased living standards and overall reform of labor conditions. But U.S. companies are unable to exert such influence because they have no role to play in the Cuban market.

Cuba's labor practices and the state's restrictions banning independent labor groups are widely recognized. The government's selection of workers who can be hired by foreign companies is often politically motivated. Further, the foreign partners pay the state agency, which then pays the employee at a 95 percent lower rate (the equivalent of a 95 percent income tax). Many argue that these highly unusual practices are a violation of international labor conventions.

Nevertheless, the overall impact of foreign investment in Cuba has been positive. Foreign investment is one of the primary engines driving Cuba's economic growth,

and economic development has enhanced the general quality of life for Cuban citizens.

INTERNATIONAL AND CORPORATE CODES OF CONDUCT

In addition to standards of worker rights mandated by international law, such as the conventions of the International Labor Organization, there are numerous voluntary principles and codes of conduct for socially responsible business practices. These include the Arcos Principles, the National Policy Association's North American Committee Principles, the Sullivan Principles, and the Global Compact. Many multinational corporations have endorsed or are encouraged to support such non-binding codes. Multinationals that endorsed the Sullivan Principles have also recently expressed interest in the Cuban market by participating in Cuban trade fairs and sending executives on information-gathering trips to the island.

Some multinationals maintain their own corporate codes of conduct that determine standards of behavior in overseas investment. These codes frequently include protections of worker rights that go beyond compulsory treaty terms or voluntary standards to

include company-specific provisions for the ethical treatment of their workers.

As recent history suggests, foreign investment has strengthened worker rights in developing countries. Through the provision of direct benefits such as financial security, internationally accepted working conditions, community development, and educational programs, foreign companies play positive roles in the communities where they invest. Workers in foreign companies see market principles and ideas practiced on a daily basis. These workers often receive better health care coverage than the average Cuban worker as well as higher wages. They may also be given perks such as cash incentives and food allowances and the use of company cars.

Some companies appear to be willing to export higher standards to countries that do not require them. For example, the environmental health and safety and worker standards of U.S. chemical companies first operating in China were higher than the local standards. The American firms considered it uneconomical to build a facility that would have to be upgraded in a few years to meet evolving and increasingly stringent environmental and labor standards.

Knowledge of company standards spreads by word of mouth and by example throughout communities. This awareness creates competition for workers and increases pressures on locally and state-owned enterprises for reform. In some cases in Cuba, the adoption by joint ventures of safety standards (such as steel-tipped shoes for mine workers) has been swiftly followed by a push by workers for the adoption of the same standards in state-owned companies. The foreign company leads the way by establishing a safety standard that others are forced to follow.

U.S.-CUBA ENGAGEMENT

However, as long as the U.S. embargo prohibits American companies from engaging in Cuba, their ability to act as a powerful, positive force for enhancing the lives of Cuban citizens will never be realized. Cooperative actions by U.S. companies with foreign investors in Cuba to promote worker rights will continue to be limited or impossible.

U.S. investment in the Cuban economy would provide the foundation from which to address more controversial issues. If U.S. companies were engaged in Cuba, the Cuban government would have something at stake in its relations with its U.S. trading partners, which would be an incentive to respond to interna-

tional pressure. Engagement would also provide leverage for U.S. companies to make demands on their Cuban trading partners.

Engagement in Cuba would also help to open and liberalize the Cuban economy. U.S. companies could pursue constructive dialogue with Cuban authorities and civil society on the problem of worker rights. U.S. investment would strengthen the Cuban economy, thereby improving the immediate living conditions of Cuban citizens, as well as promoting adherence to international or individual company labor standards.

Further, the daily activities of foreign investors in Cuba would bring about Cuban labor reform. When Cuban labor practices contradicted the codes of conduct of U.S. corporations, the companies would be compelled to require government conformity to company standards. In addition, international grassroots pressures to respect worker rights would encourage companies investing in Cuba to demand that the government undertake labor reform.

The positive role that increased U.S. trade ties can have on worker rights was recently demonstrated by the North American Agreement on Labor Cooperation (NAALC), which emerged from NAFTA. Since going into effect, the NAALC has led to significant developments in labor policy reform in Mexico, particularly regarding freedom of association and collective bargaining rights.

Without an investment relationship with Cuba, American companies cannot advance the welfare of Cuban workers. Disengagement directly contributes to the deprivation of the average Cuban by reducing employment opportunities and compounding economic hardships. Investment and trade relations can be a platform upon which to build cooperation while simultaneously providing sustenance and employment and the promise that conditions will continue to improve.

CONCLUSION

There are no simple solutions for the development of economic and political reform efforts in Cuba. However, engagement would allow American companies to have an immediate positive impact on worker rights. Moreover, engagement would enable the U.S. government and U.S. companies to participate in a dialogue with Cuban workers and to expand areas of cooperation. If the Cuban government failed to achieve progress, international condemnation and pressure by U.S. investors would leverage improvements by the state for Cuban workers. In turn, such progress would lead to stepped-up demands by Cuban citizens for better conditions.

It is important to move beyond the current wait-and-see approach of U.S. policy toward Cuba. For the lives of Cuban workers to improve sooner rather than later, U.S. investment must begin now. ■

Ongoing Relations Between Spain and Cuba

by Mark Falcoff

Resident Scholar, American Enterprise Institute

Spain's links with Cuba are in many ways more intense than those with any other Latin American country. Spanish rule on the island lasted three-fourths of a century longer than its rule in Mexico, Venezuela, or Peru. Further, after Cuban independence was achieved in 1902, more Spaniards settled in Cuba than they did during the 400 hundred years it had been a Spanish colony. At the time of the revolution of 1959, as many as one million Spaniards called Cuba home, the largest such community (proportionate to population) anywhere outside of the peninsula itself.

Most Cubans of Spanish immigrant origin have since fled the island, but Cuba remains a focus of Spanish cultural and political interests; Cuba is the destination of many Spanish tourists, and Spain provides the second largest source of foreign investment on the island. Indeed, because of the 40-year-old trade embargo that prohibits U.S. businesses from operating in Cuba, Spain is in the process of recovering much of the economic presence it lost there in 1959. It is particularly active in two of the most dynamic sectors

of the Cuban economy — tourist services and tobacco.

LONG-TERM RELATIONS

From a political perspective, one of the most striking features of Cuban-Spanish relations is their uninterrupted quality. Even though Spanish dictator Francisco Franco systematically jailed and exiled communists in his own country for almost 40 years, he never broke relations with Castro's Cuba. However, it was not until just before his death in 1975 that the two countries formally exchanged ambassadors.

After Spain's return to democracy, relations with Cuba continued and in many ways intensified. Spain has provided more economic assistance, albeit small, to Cuba than any member of the European Union (EU). That the United States is no longer a player on the island recommends the Castro regime to Spanish conservatives, many of whom have never forgiven the Americans for their role in the war of 1898. Many far left Spaniards, for their part, consider Cuba a socialist utopia that has somehow eluded them in their own country.

Cuba has been an important overseas destination for Spanish politicians from various parties. The list of Spanish political visitors to Cuba includes Premier Adolfo Suárez, Manuel Fraga Iribarne, head of Galicia's autonomous government, and Felipe González, both before and after he became Spain's first socialist Prime Minister in 1986. It was left to González to negotiate a settlement over the \$300 million worth of expropriated Spanish property. In the end, Spanish claimants were compelled to accept a pro rata share of the \$40 million upon which the two governments agreed. González also used the occasion to secure the release of one of Cuba's longest-serving political prisoners, Eloy Gutiérrez Menoyo.

The high level traffic between Madrid and Havana has had its limits, however. Although King Juan Carlos has traveled to Cuba to attend an Ibero-American Summit and Fidel Castro has visited Spain twice (once during the 500-year celebration of Columbus' voyage and another time on his way home from the Ibero-American Summit in Portugal),

neither head of state has visited the other on an official basis. This is Madrid's way of showing quiet displeasure with Castro's imperviousness to its appeal for modest economic and political reforms. The price that Cuba pays for its intransigence, apart from forgoing the ceremonials of a state visit, is very limited Spanish support in EU councils, where, naturally enough, Madrid exercises a preponderant influence on Latin American matters.

SPANISH DOMESTIC POLITICS AND CUBA

There are also strict limits within which the "Cuban issue" is played out in Spanish domestic politics. Cuba is seen by many Spaniards otherwise uninterested in the matter as a symbol of successful resistance to globalization and American culture, both of which they heartily despise. When the conservative government of José María Aznar (Partido Popular) took office in 1996, great policy changes toward Cuba were expected; however, after a few sensational moments at the beginning—during one, Aznar accused Castro to his face of having tortured people—the old balance reestablished itself.

Much of the Spanish concern for human rights in Cuba today comes not from the right but from the liberal left—many socialists feel betrayed by Castro and are ashamed of the way he perverts their ideological ideal. Meanwhile, some of Spain's business elite, a key constituency of the ruling Partido Popular, are actively involved in joint ventures with the Cuban government.

INFLAMED RELATIONS BETWEEN SPAIN AND U.S.

The passage of both the Cuban Democracy Act (1992) and the Helms-Burton Law (1996) in the United States have inflamed relations between Spain and the United States. Spaniards, like most Europeans, strongly object to the extraterritorial aspirations of both laws. They believe that if democracy in Cuba is the true objective of the U.S. position, a policy of constructive engagement is the best course of action. They periodically remind Americans that Laureano López-Rodó, architect of Franco's "economic miracle" in the 1960s and early 1970s, predicted that Spain would be ready for democracy when its average per capita income reached \$2,000 a year. It follows from this perspective, then, that if the United States

wants democracy to prevail in Cuba, it should encourage foreign investment by other countries, and even join in. However, whether Spanish economic interests in Cuba would be best served in the long run by the United States heeding this counsel is another matter.

CUBA'S FUTURE ATTITUDE TOWARD SPAIN

Another future issue concerns the attitude of Cubans toward Spanish economic interests once the country has a democratic political system and labor unions are free to negotiate contracts. Will Cubans resent the present period—which promises to stretch out at least a decade or more—when Spanish enterprises took advantage of Cubans' subordination to a communist dictatorship to acquire a first-rate labor force at fire-sale prices? Will Cubans take punitive measures against these firms? Or will they regard the return of Spain to Cuba as a harbinger of better days, a major (if necessarily limited) contribution to the open, prosperous society to which so many have aspired? On this score, Spaniards do not seem to be worried. Only the future will tell if they should have been. ■

U.S. Presidents Speak on Cuba

President George W. Bush, in a speech on May 20, 2002, at the Cuban Independence Day celebration in Miami, stated: "If the Cuban government truly wants to advance the cause . . . of Cuban workers, surely it will permit trade unions to exist outside government control. If Cuba wants to create more good-paying jobs, private employers have to be able to negotiate with and pay workers of their own choosing without the government telling [them] who they can hire and who they must fire. . . . Workers employed by foreign companies should be paid directly by their employers, instead of having the government seize their hard currency wages and pass on a pittance in the form of pesos."

Former President Jimmy Carter said in a speech at the University of Havana on May 14, 2002: "The hard truth is that neither the United States nor Cuba has managed to define a positive and beneficial relationship. Will this new century find our neighboring people living in harmony and friendship?"

"Except for the stagnant relations between the United States and Cuba, the world has changed greatly, and especially in Latin America and the Caribbean. As late as 1977, when I became President, there were only two democracies in South America and one in Central America. Today, almost every country in the Americas is a democracy.

"I am not using a U.S. definition of 'democracy.' The term is embedded in the Universal Declaration of Human Rights, which Cuba signed in 1948, and it was defined very precisely by all the other countries of the Americas in the Inter-American Democratic Charter in September [2001]. It is based on some simple premises: all citizens are born with the right to choose their leaders, to define their own destiny, to speak freely, to organize political parties, trade unions and nongovernmental groups, and to have fair and open trials.

"Cuba has adopted a socialist government where one political party dominates and people are not permitted to organize any opposition movements. [Cuba's] constitution recognizes freedom of speech and association, but other laws deny these freedoms to those who disagree with the government.

"After 43 years of animosity, I hope that someday soon, [Cubans] can reach across the great divide that separates our two countries and say, 'We are ready to join the community of democracies.' I hope that Americans will soon open [their] arms to you and say, 'We welcome you as our friends.'"

President Bush's speech has been excerpted from:
<http://www.whitehouse.gov/new/releases/2002/05/print/20020520-6.html>.

President Carter's excerpted remarks are from: <http://www.cartercenter.org/viewdoc.asp?docID=517&submenu=news>.

(Continued from page 2)

of foreign investors in Cuba, however, is not encouraging. In fact, foreign corporations have become full partners with Castro in exploiting Cuba's citizens. Attempts to assuage this guilt by making small surreptitious hard currency payments to workers ring hollow. (If you give a slave a chicken on Sunday, have you addressed his slavery?) Unfortunately, many corporations will do the right thing only when they have no choice. The threat of li-

ability may be the prompt needed. International law is evolving rapidly, and foreign corporations across the globe are being hauled into court for violating worker and human rights.

In the United States, interest is growing in using the Alien Claims Tort Act (ACTA) as a vehicle to press for reform or to punish corporations that become partners in repression with nondemocratic regimes. ACTA has already been used to address violations of rights by international corpora-

tions in Nigeria and Burma. Lawsuits based on ACTA will be applied to Cuba in the near future. However, foreign investors must also worry about being called to account in Cuba itself. It is highly likely that today's violations will be the subject of intense legal scrutiny in tomorrow's democratic Cuba.

Advocates of increased foreign investment in Cuba—particularly those who believe there should be American investment—have an obligation to address the issue of worker rights up front. It is not enough to simply say that investment leads to reform at some unspecified time in the future. A recent series of articles in the *Washington Post* pointing out that U.S. companies routinely discriminate against women in Saudi Arabia highlights the fact that American businesses often display no more backbone than their European or Latin counterparts. Foreign investors can be part of the solution in Cuba, but they must first stop being part of the problem. ■

Members of the Cuba Working Group

AFL-CIO American Center for
International Labor Solidarity (ACILS)
American Chamber of Commerce of Cuba
in the United States (AmCham Cuba)

Confederation of Netherlands Industry
and Employers (VNO-NCW)

Consejo Mexicano de Comercio Exterior
(COMCE)

The Conference Board of Canada

Cuba Policy Foundation

Florida International University
Instituto Tecnológico Autónomo de
México (ITAM)

National Policy Association

Pax Christi Netherlands

Prince of Wales Business Leaders Forum

United Food and Commercial Workers
International Union (UFCW)

U.S. Chamber of Commerce

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Cuba Program Director
Kaylin Bailey

Program Assistant
Amanda Fulmer

Editor
Martha Lee Benz

Production
James Reeves

NATIONAL POLICY ASSOCIATION
1424 16th Street, N.W., Suite 700
Washington, D.C. 20036-2229
TEL 202-884-7640 FAX 202-797-5516
kbailey@npa1.org www.npa1.org



NATIONAL POLICY ASSOCIATION

1424 16th Street, N.W., Suite 700
Washington, D.C. 20036-2229

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